GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:68
ANSWERED ON:20.11.2007
SICK INDUSTRIES
Rana Shri Kashi Ram;Vasava Shri Mansukhbhai D.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the State-wise status of industrial sickness prevailing in the industries under private and public sector of the country;

(b) whether the Government has identified the reasons for this industrial sickness;

(c) if so, the details thereof in the various parts of the country; and

(d) the steps taken by the Government to revive them and to remove this industrial sickness?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH)

(a) to (d): A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (d) of Lok Sabha Starred Question No. 68 for answer on 20th November, 2007 regarding sick industries.

(a) to (d): Board of Industrial and Financial Reconstruction (BIFR) maintains records of industries in public and private sectors which register themselves with BIFR under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). As per the information received from BIFR, 697 cases were registered with them during the last three years. Further, according to the BIFR, the sick industrial companies attribute change in Government policies, managerial problems, production and technical problems, marketing problems, financial problems, lack of adequate infrastructure, delay in sanction and disbursement of Term Loan by financial institutions and banks and high interest costs as the reasons for industrial sickness/closure at the time of registration with the Board.

Besides providing a policy regime that facilitates and fosters growth and development of industries, steps taken for revival of sick industrial units, inter-alia, include setting up of the Board of Industrial and Financial Reconstruction (BIFR) and issue of guidelines by Reserve Bank of India to banks for financial support and amalgamation of sick units with healthy units. Wherever feasible, rehabilitation schemes are sanctioned for the revival of the units registered with the BIFR, which, inter alia, include restructuring of the capital, induction of fresh funds by the promoters, Government assistance for public sector units, merger with other companies, relief and concessions in the form of rescheduling of dues by Financial Institutions, banks and Government and change of management.

As per the information received from the BIFR, the number of cases registered with them during the years 2004, 2005 and 2006 are 399, 180 and 118 respectively. During the same period 129 cases were recommended for revival. The State-wise list of the cases recommended for revival is given in the statement at Annexure-I. During the last three years, 228 sick industrial units were revived. The State-wise list of the industrial units revived is given in the statement at Annexure-II.

ANNEXURE-I

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) OF LOK SABHA STARRED QUESTION NO. 68 FOR ANSWER ON 20TH NOVEMBER, 2007

State-wise list of cases recommended by BIFR during 1.1.2004 to 31.12.2006

Sl.No	States/Union Territories	No. of Units		
		2004	2005	2006
1	Andhra Pradesh	2	1	3
2	Delhi	6	1	5
3	Gujarat	3	6	3
4	Haryana		1	
5	Himachal Pradesh			1
6	Jammu & Kashmir			1
7	Jharkhand		2	
8	Karnataka		5	5

9	Kerala	1	4
10	Madhya Pradesh	2	5
11	Maharashtra	13	3 9
12	Orissa	1	
13	Punjab	2	1 2
14	Rajasthan	3	2
15	Tamil Nadu	1	7 5
16	Uttar Pradesh	5	6 2
17	West Bengal	3	2 5
	Total	38	44 47

ANNEXURE-II

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) OF LOK SABHA STARRED QUESTION NO. 68 FOR ANSWER ON 20TH NOVEMBER, 2007

State-wise list of cases revived by BIFR during 1.1.2004 to 31.12.2006

Sl.No	States/Union Territories	No. of Units		
		2004	2005	2006
1	Andhra Pradesh	3	6	11
2	Assam	1		
3	Chhattisgarh	1	1	
4	Delhi	6	10	
5	Goa	1	2	
6	Gujarat	3	6	11
7	Haryana	3	1	3
8	Himachal Pradesh	2		
9	Jharkhand	1		
10	Karnataka	2	5	9
11	Kerala	1	3	3
12	Madhya Pradesh	1	2	
13	Maharashtra	5	21	22
14	Orissa	1	2	
15	Pondicherry	1	1	
16	Punjab	1	4	7
17	Rajasthan	2	4	3
18	Tamil Nadu	2	6	19
19	Uttaranchal	1	3	
20	Uttar Pradesh	5	4	
21	West Bengal	2	4	10
	Total	29	76	123